

## Message Text

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ACTION EB-08

INFO OCT-01 IO-13 ISO-00 AF-08 ARA-06 EA-07 EUR-12 NEA-10

SSO-00 NSCE-00 USIE-00 INRE-00 AGRE-00 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04

ITC-01 TRSE-00 PRS-01 SP-02 FEAE-00 OMB-01 /125 W

-----161309Z 063016 /53

O 161227Z FEB 77

FM USMISSION GENEVA

TO SECSTATE WASHDC IMMEDIATE 5245

C O N F I D E N T I A L GENEVA 1123

FOR ANGEVINE EB/FTD FROM CHIEF TEXTILE NEGOTIATOR AND  
CITA CHAIRMAN

E.O. 11652: GDS

TAGS: ETRD, GATT

SUBJECT: MFA RENEWAL

REF: STATE 034715

1. FOLLOWING ARE COMMENTS WHICH WE BEILEVE COULD BE USEFULLY  
INCORPORATED INTO EXCELLENT DRAFT TEXT. PARA REFERENCES  
REFER TO NUMBERED PARAS IN REFTEL.

2. AT END OF SUMMARY ADD QUOTE AND THE NEED FOR THE EC TO  
COME TO THE MARCH TC MEETING WITH MANDATE IN HAND QUOTE.

3. PARA ONE OK.

4. AT END OF PARA TWO ADD QUOTE AND SOME SOURCES INDICATE  
THAT EC MAY NOT EVEN OBTAIN MANDATE AT THAT MARCH 8 MEETING.  
IF THIS TRANSPIRES, NOT ONLY WOULD FURTHER DELAY ENSUE, BUT  
EXPORTING COUNTRIES WOULD CALL INTO QUESTION THE GOOD FAITH  
AND INTENTIONS OF THE COMMUNITY (AND PERHAPS ALL IMPORT-  
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ING COUNTRIES) AS A WHOLE QUOTE.

5. AT END OF PARA THREE ADD QUOTE HENCE, WE BELIEVE  
IT IS IN THE INTERESTS OF ALL DEVELOPED COUNTRIES TO  
SEE THE MFA MATTER RESOLVED AS EARLY AS POSSIBLE AND  
THAT EVERY EFFORT SHOULD BE MADE TO DO THIS DURING THE  
MARCH TC MEETING QUOTE.

6. PARA FOUR OK.

7. INTRODUCTORY PORTION OF PARA 5 AND PARA 5A OK.

8. AT END SECOND SENTENCE PARA 5B ADD SENTENCE QUOTE  
DESPITE THIS, THE DEVELOPING COUNTRIES AT THE DECEMBER  
1976 TC MEETING WERE PREPARED TO ACCEPT EXTENSION OF  
THE MFA WITHOUT CHANGE AND, WE UNDERSTAND, REMAIN PRE-  
PARED TO DO SO QUOTE. REST OF PARA 5B OK.

9. FOURTH SENTENCE OF PARA 5C WHICH BEINGS QUOTE EACH  
OF THE NEEDS QUOTE, WE SUGGEST BE AMENDED TO BEGIN  
QUOTE SUCH EC NEEDS AS LOWER GROWTH RATES, ETC QUOTE.  
FYI WORD CHANGE IS SUGGESTED BECAUSE BASE LEVEL MATTER  
CANNOT BE HANDLED UNDER EXISTING MFA NOR DO WE THINK  
WE SHOULD GIVE EC ANY HOPE TO THINK CHANGE IN BASE  
LEVEL PROVISION DESIRABLE OR NEGOTIABLE END FYI.

10. REST OF PARA 5C AND PARA SIX OK.

11. RE PARA SEVEN FIRST SENTENCE, WHILE WE RECOGNIZE  
AMBASSADOR HINTON MAY NOT BE IN BRUSSELS, WE BELIEVE IT  
WOULD BE MOST HELPFUL IF APPROACH COULD BE MADE TO JENKINS  
IF AT ALL POSSIBLE. CURRENT MANEUVERING BETWEEN DG-1  
'HABERKAMP) AND DG-3 (D'AVIGNON) FOR TEXTILE RESPONSI-  
BILITY IN EC COULD LIMIT EFFECTIVENESS OF APPROACH TO  
HABERKAMP; ALSO, WE SEE NEED TO GET JENKINS ENGAGED  
DIRECTLY IF AT ALL POSSIBLE IN ORDER TO ENSURE THAT HE  
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IS FULLY AWARE OF SITUATION AND COULD, THEREFORE, HELP  
INFLUENCE UK POSITION IF HE SO CHOOSES. RE THIRD SEN-  
TENCE SAME PARA, BELIEVE SENTENCE COULD BE AMENDED TO  
READ QUOTE THE COMMUNITY NOT RPT NOT ONLY RUNS  
A RISK OF PROVOKING A FULL-BLOWN CONFRONTATION BETWEEN  
DEVELOPED AND DEVELOPING COUNTRIES OVER INTERNATIONAL  
TEXTILE TRADE POLICY BUT ALSO OF SEEING ISSUE SPILL  
OVER INTO NORTH/SOUTH DIALOGUE, MTN, UNCTAD AND OTHER  
FORUMS UNLESS RESOLVED VERY QUICKLY QUOTE.

12. RE FIRST SENTENCE PARA EIGHT SUGGEST QUOTE TO  
HIGHEST APPROPRIATE POLICY LEVELS QUOTE ETC.

13. RE SECOND SENTENCE PARA 8 WHICH BEGINS QUOTE FOR  
PARIS QUOTE SUGGEST ADDING QUOTE AND FRENCH GOVERN-  
MENT'S DEEP INTEREST (AS STATED BY GISCARD D'ESTAING) IN  
THE NORTH/SOUTH DIALOGUE QUOTE.

14. RE THIRD SENTENCE PARA 8 WHICH BEGINS QUOTE FOR

BONN QUOTE SUGGEST ADDING AT END QUOTE WITHOUT DISPRO-  
PORTIONATE COSTS TO IMPORTING COUNTRIES QUOTE.

15. FYI GATT DIRECTOR-GENERAL LONG INDEPENDENTLY VOL-  
UNTEERED TO PHELAN AND SMITH OPINION THAT U.S. APPROACH  
TO EC CAPITALS NECESSARY AND TIMELY FOR SAME REASONS  
EXPRESSED PARAS 3, 5A, AND 5B. INDEED, HE SUGGESTED  
THAT APPROACH TO FRENCH BE STRONGLY COUCHED IN TERMS OF  
NORTH/SOUTH DIALOGUE INASMUCH AS FRENCH WERE THE QUOTE  
DEMANDEURS QUOTE ON THE DIALOGUE. HE ALSO SUGGESTED  
U.S. REPRESENTATIONS TO FRENCH INCLUDE APPROACH TO  
MEURICE OF QUAI D'ORSAY AND M. SAVANYARD IN THE FRENCH  
GOVERNMENT. LONG ALSO SUGGESTED APPROACHING UK MIN-  
ISTER OF STATE DR. DAVID OWENS WHO, LONG AVERRED, IS  
KEENLY INTERESTED IN NORTH/SOUTH DIALOGUE. LONG ALSO  
STATED THAT POLITICAL APPROACH AT THE FOREIGN MINISTRY  
LEVEL WAS THE PREFERABLE COURSE, WHILE TSB CHAIRMAN  
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AMBASSADOR WURTH SAID IT WAS ESSENTIAL THAT MESSAGE  
BE GOTTEN ACROSS TO EC THAT IT MUST COME TO MARCH  
TC MEETING WITH MANDATE IN HAND, OTHERWISE CHAOS WOULD  
ENSUE.

16. WITH REGARD TO OVERALL GIST OF PARA 5B, LONG MADE  
INTERESTING OBSERVATION THAT THUS FAR IN MTN, CIEC,  
NORTH/SOUTH DIALOGUE, ETC THE EXPORTING COUNTRIES HAVE  
COME OUT OF THESE MEETINGS WITH QUOTE ZERO, ZERO, ZERO  
WITH EXCEPTION OF TROPICAL PRODUCTS AND MFA QUOTE. NOW,  
IF THE MFA WERE TO BE MADE MORE RESTRICTIVE, THE EXPORT-  
ING COUNTRIES WOULD FEEL THAT FIFTY PERCENT OF THE  
GAINS (I.E., THE MFA) THEY HAVE MADE SO FAR WILL HAVE  
BEEN REDUCED OR MINIMIZED. THIS, LONG STATED, WAS  
NOT RPT NOT AN INCONSEQUENTIAL CONSIDERATION. EMBOFF  
BONN REPORTED GERMANS MAKING SAME GENERAL POINT  
IN PARA 7 OF BONN 1937 END FYI.

17. LONG ALSO URGED THAT SEPARATE URGENT REPRESENTA-  
TIONS BE MADE TO CANADA, AGAIN EMPHASIZING NORTH/SOUTH  
DIALOGUE. HE SAID THAT THIS COULD ALSO INCLUDE AP-  
PROACHING MCCAGE OF CANADA.

18. ABOVE ARE SUGGESTED CHANGES AND COMMENTS WHICH ARE  
LEFT TO DEPARTMENT'S DISCRETION TO FIT IN. MESSAGE IS  
CLEARED BY SMITH, SHEPHERD, KRAMER, BREW, AND PHELAN. CATTO

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## Message Attributes

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**Channel Indicators:** n/a  
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**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
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**Disposition Date:** 22 May 2009  
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**Enclosure:** n/a  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
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**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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